

QUARTERLY ACTIVITY REPORT March 2012

Highlights

- **CORPORATE:**

The merger of Rift Valley Resources Limited and BrightStar Resources Limited is on track with completion anticipated in late June.

The Scheme Booklet has been lodged with ASIC and a court date has been applied for.

The merger is intended to create a leading independent Tanzanian gold exploration company and unlock the value of the combined entity. The merged entity will have significant cash reserves, 760,000 (attributable) ounces of gold and a portfolio of excellent exploration properties in Tanzania.
- **CURRENT RIFT VALLEY PROJECTS:**

Field evaluation and further exploration programs on Rift Valley's projects continued during the Quarter. The activity for this quarter has been prioritised on:

 - **Golden Pride North** – Drilling commenced in April on three potentially significant gold-in-soil anomalies.
 - **Suguti** - Detailed surface mapping, trenching, and infill soil-sampling has been completed to better define and assess several large gold-in-soil anomalies. Follow up work will likely consist of drilling in the second quarter of 2012.
 - **Maji Moto** – Results from detailed surface mapping, trenching and soil sampling have been received and indicate some exciting targets for further investigation.
 - **Geita East and Igando** – Assessment of historical information has been undertaken and a detailed exploration plan has been compiled.
- **NEW PROPERTY EVALUATIONS:**

A number of exciting potential new projects have been reviewed and due diligence is underway.

RIFT VALLEY RESOURCES LIMITED

ABN: 88 147 483 341

ASX Code: RFV

A Tanzanian focused explorer

CONTACT DETAILS

Level 2
23 Barrack St
Perth, WA 6000
T +61 8 9200 4404
F +61 8 9200 4413
riftvalleyresources.com.au

ISSUED CAPITAL:

83,500,000

CHAIRMAN

Didier Murcia

MANAGING DIRECTOR

Mike McKeivitt

NON-EXECUTIVE DIRECTORS

Keith McKay
Gosbert Kagaruki
Darpan Pindolia



CORPORATE

Proposed Merger

On 23 January 2012, Rift Valley Resources Limited (ASX: RFV, Rift Valley) and BrightStar Resources Limited (ASX: BUT, BrightStar) announced they had entered into a Merger Implementation Agreement, ("MIA"), under which they have agreed to a proposal to merge the companies via a Scheme of Arrangement ("the Scheme").

The proposed merger has the unanimous support of both the Rift Valley and BrightStar Boards because it brings together two highly complementary growth-oriented groups, creating a leading independent, Tanzanian focused, gold company.

Under the Scheme, Rift Valley shareholders will receive 1.25 BrightStar shares for each Rift Valley share they hold.

Transaction Rationale

The friendly merger between BrightStar and Rift Valley will create a Tanzanian-focused gold exploration company with a stated objective of becoming a 200,000 ounce per annum producer with resources of 2 million ounces.

The merged entity will:

- possess a strong mix of corporate, geological and Tanzanian experience;
- be able to leverage off excellent existing in-country relationships;
- have significant cash reserves and no debt.
- have a strong platform to execute exploration programs and to pursue other growth initiatives aimed at enhancing shareholder value;
- be well placed to grow the existing resource base on both the Miyabi and Kitongo properties; and
- be well-funded to pursue additional acquisition opportunities and advance the numerous greenfield exploration projects currently in the pipeline.

At Miyabi, the merged entity will be earning up to 75% interest in the current inferred and indicated gold resources of 520,000 ounces (12.4mt at 1.3g/t Au, using a 0.5g/t cut off). The right to earn up to 75% interest is governed by the terms of a joint venture agreement and requires expenditure on exploration and evaluation in order to earn the interest. The resource has clear scope to grow as illustrated by the RAB drill-hole gold intersections that are located well outside the existing resource.

At Kitongo, the merged entity will have 100% of an inferred gold resource, of 370,000 ounces (7.8mt at 1.5g/t Au, using a 0.5g/t cut off), with excellent potential for depth and strike extensions.

The management teams of both BrightStar and Rift Valley have identified further growth and consolidation opportunities and will pursue those while continuing to review other new opportunities as they arise.

Tanzania is viewed as an excellent location for gold exploration and production with ten deposits in excess of 1 million ounces and two deposits in excess of 15 million ounces already discovered. While the merged group's primary focus will be gold, there is

excellent potential for the discovery of base metals, rare earths and other mineral commodities.

Timetable and Next Steps

The Rift Valley Scheme Booklet is expected to be mailed to Rift Valley shareholders in May 2012, with shareholder meetings expected to be held in June 2012. The Scheme is expected to be implemented in June 2012.

Further details on timing and implementation of the merger scheme and the Transaction will be made available to shareholders upon release of the Rift Valley Scheme Booklet.

CURRENT PROJECTS

Rift Valley Resources Limited (RFV) has an extensive portfolio of projects in Tanzania with the primary focus on properties prospective for gold in the well mineralised Lake Victoria region of Tanzania. In addition, the Company has several nickel properties to the west of the Lake Victoria region.

Second phase reconnaissance exploration has been completed on the priority RFV projects and further exploration programs on specific projects are underway (based on priority ranking). An inaugural drilling program commenced in April 2012 on the Golden Pride North Project and planning is well advanced for further drilling programs on the Maji Moto, Suguti, and Igando Projects.

Golden Pride North Project

Systematic soil sampling of the Golden Pride North property has defined three large, and potentially significant gold-in-soil anomalies that have been targeted for drill testing.

The drilling program commenced on 23 April 2012 (Figure 1) with approximately 3,000 metres of Aircore drilling planned to test the three anomalies. Magnetic data and surface geology indicates that the source of the gold in the soils is likely to be located proximal to one or more banded iron formations which are known to host gold mineralisation elsewhere in the region.





Figure 1 – Drilling at Golden Pride North

Golden Pride North is a 41 square kilometre property located in the same greenstone belt as Resolute Mining's Golden Pride gold mine and is strategically located only 4.6 kilometres from the actual mine.

Maji Moto Project

The Maji Moto Project is located in the eastern Musoma Goldfields, approximately 28 kilometres south-west of African Barrick Gold's multi-million ounce North Mara gold mine (Figure 2). The 77 square kilometre project covers numerous known gold occurrences and gold workings surrounding the old Maji Moto gold mine which was operated up until the 1950s. The immediate old-mine area is currently held by local small scale miners and is excluded from Rift Valley's Maji Moto property (approximately 500 square metres).



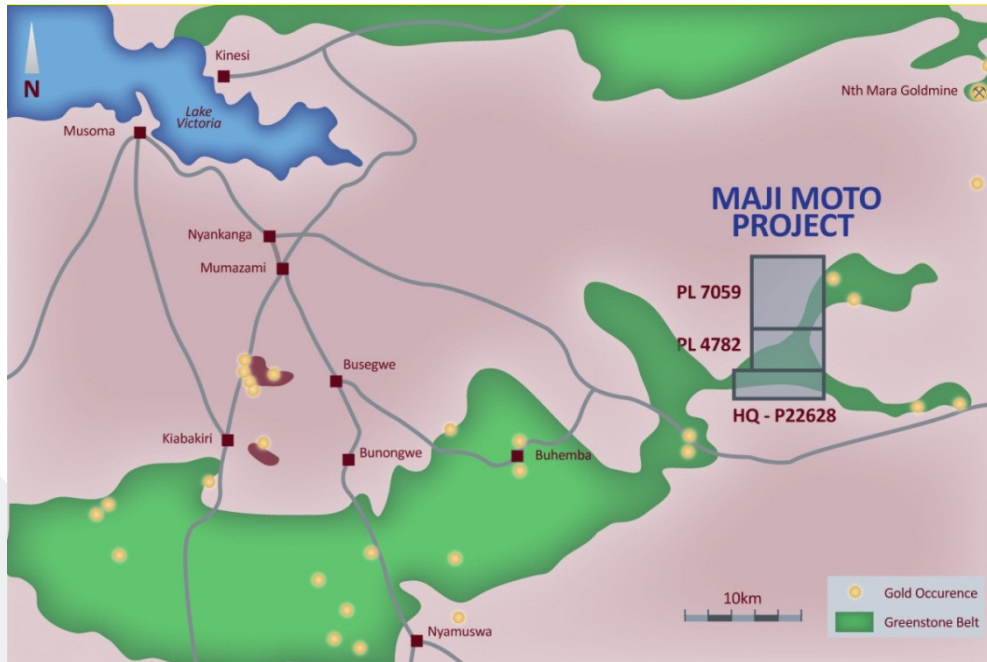


Figure 2 - Maji Moto Project Area

In the last quarter, 1 082 soils samples were taken and 48 rock chips submitted, all assays are now returned (Figure 3). Compilation and evaluation of further detailed mapping has been completed by RFV geologists along with evaluation of the follow-up soil samples. Results include:

- An 80 hectare anomaly in the south-east corner of PL 7059 associated with the basalt/granite contact. This contact appears to be controlling much of the mineralisation to the east;
- A linear anomaly of approximately 1.30 kilometres associated with the interpretation of a north-west trending structure which offsets a 120 metre thick chert unit in the north eastern portion of PL 7059;
- A 600 metre anomaly associated with the north-west trending Mesaga workings; and
- A one kilometre long anomaly associated with sinistral shearing of a chert unit in the central north western portion of PL 7059.



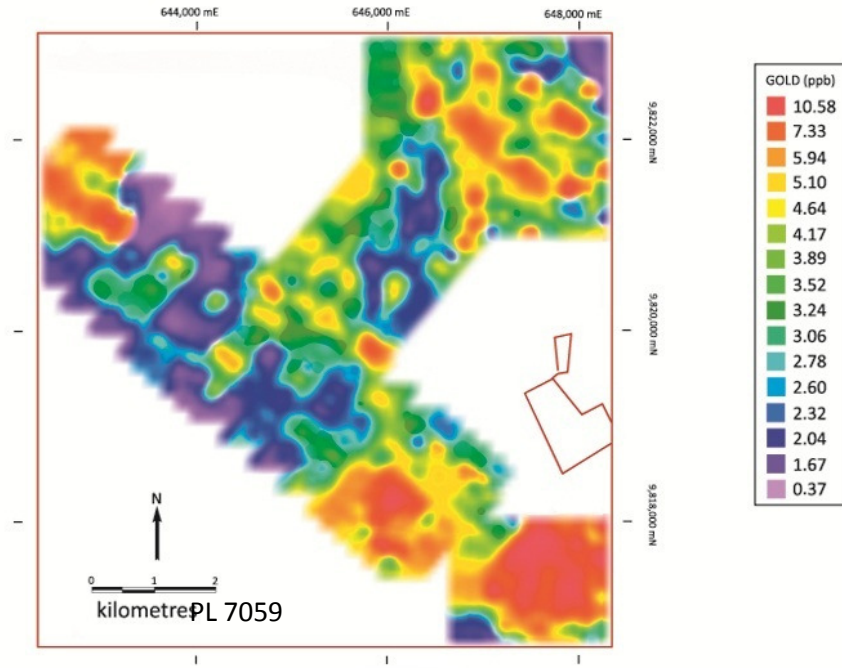


Figure 3 - Maji Moto - soil sample gold-assay contours

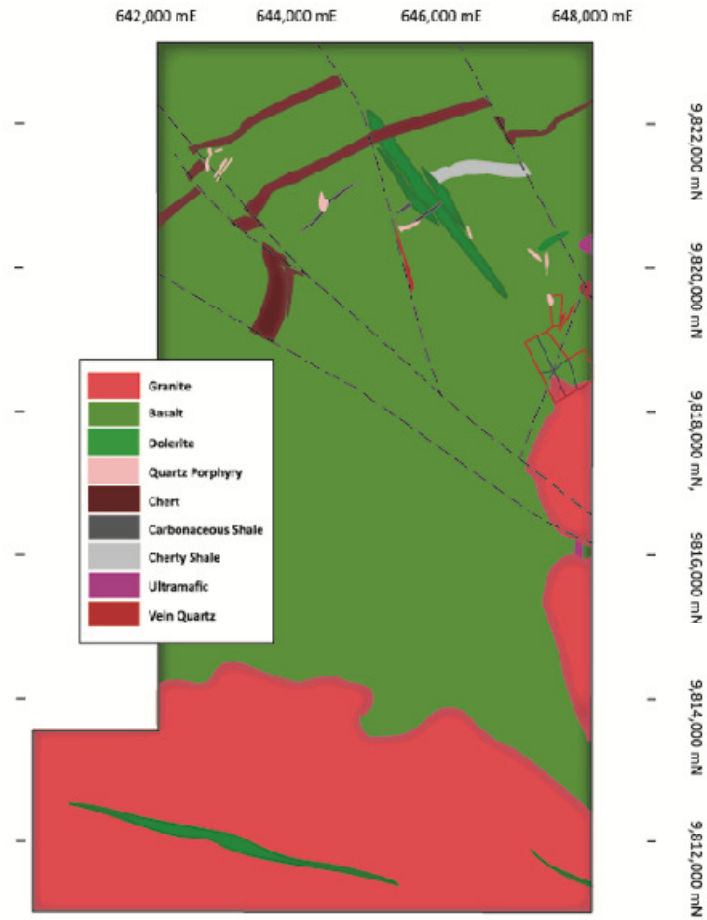


Figure 4 - Maji Moto Geology



The next phase of work will comprise evaluation of any outstanding soil samples along with geological mapping of the Mesaga and Nyamorogoro Hill workings. For further drill planning, the modelling of geological controls on mineralization associated with the granite greenstone contact, on the east of the tenements, will be undertaken.

Initial drilling will be implemented as soon as possible, currently planned for the second quarter 2012.

Suguti Project

The Suguti Project is located in the Mara-Musoma Region, 40 km south of Musoma; the sealed Mwanza to Musoma highway passes through the western edge of the 77 square kilometre property. The property covers an extensive area of mafic-intermediate volcanic rocks and banded iron formations which form a prominent range of hills that trends approximately east-west in the northern half of the tenement.

This Quarter, detailed mapping has been completed (Figure 5) along with 842 infill soil samples. All assays have been returned. The samples were designed to infill a north-east trending anomaly delineated in previous soil programs conducted by RFV. Additionally, two trenches were completed, one of 100 metres and the second of 50 metres, designed to test potential mineralisation within, and to the south of the artisanal workings.

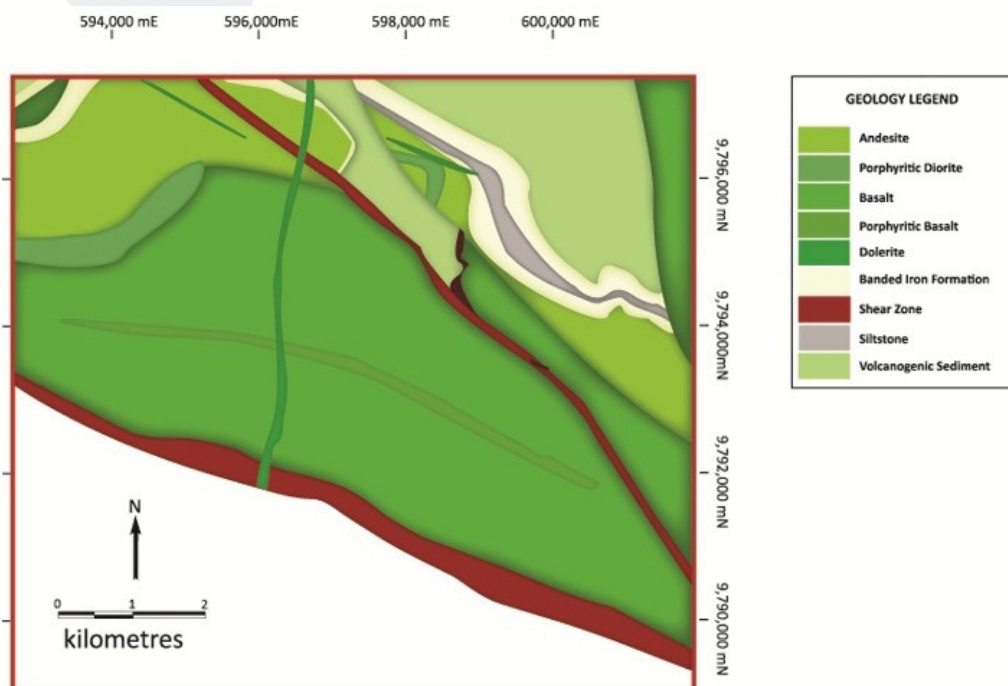


Figure 5 - Suguti geology map

Further trenching will be undertaken along the north-west trending shear to target the anomalous gold in soil values associated with shearing and the volcanogenic sediment contact in the central portion of the tenement.

Assessment of the trench data and design of drill program are the next planned phases of work.

Igando Project

Geological mapping was conducted on the Igando Project and further work will be prioritised after drilling is completed at the Golden Pride North Project.

Along with the mapping and reconnaissance conducted, 18 rock chips were taken with best results centred on historical workings returning grades of 26.40 g/t Au and 3.05 g/t Au.

Assessment of the historical data obtained for the project has been completed. Future work will be to generate drill targets from the mapping in conjunction with proposed soil sampling programs.

The Geita East Project

Geological mapping was conducted on the Geita East Project and further work will also be prioritised after drilling is completed at the Golden Pride North Project.

Assessment of the historical data has included 399 drill holes and 11,400 surface samples. Surface samples included 4,400 Mobile Metal Ion (MMI) samples and 62 rock chip samples. Additionally, 266,000 points of magnetic data, and 27,000 points of radiometric data have been assessed.

PROJECT RELEASES

RFV's strategy has been to continually seek more advanced projects, critically assess tenements held, and to release tenements showing the lowest likelihood of achieving the Company's strategic goals.

After thorough assessment of the available data and follow-up field work, RFV has elected to withdraw from its interest in the Chibango, Nyamagoma, and Sarama projects. These tenements are not considered to have the potential to host economically exploitable resources and will be transferred back to the vendors.

CURRENT PORTFOLIO

Following new acquisitions and recent project relinquishments, the Company's current portfolio of exploration properties consists of:

- 9 gold projects (Golden Pride North, Suguti, Maji Moto, Miyabi, Mambari, Buhemba SE, Sungwa, Geita East and Igando); and
- 2 nickel projects (Nyamagoma and Mwenene).



NEW PROPERTY EVALUATIONS

RFV continues to make a concerted effort to identify and secure more advanced gold opportunities in Tanzania. During the Quarter a number of such properties were evaluated and this work is ongoing.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Mike McKeivitt
Managing Director

Rift Valley Resources Limited
Tel. +61 (8) 9200 4404
Fax +61 (8) 9200 4413
info@riftvalleyresources.com.au

Competent Person: The contents of this report relating to geology and exploration results are based on information compiled by Mike McKeivitt, Member of the Australian Institute of Mining and Metallurgy and Managing Director of Rift Valley Resources. Mr McKeivitt has sufficient experience related to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC (2004) Code") and consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear

